

(UNCLASSIFIED)

DACS
Pentagon, Washington, D.C.
071700 APR 06

References:

1. VCSA Memo, 10 Feb 05, subj: Transforming the Way We Do Business
2. DACS-ZD Memo, 11 Jul 05, subj: Implementing Instructions for Secretary of the Army Transition Team
3. DACS-ZDV-DAS Memo, 8 Sep 05, subj: Transforming the Way We Do Business Execution Guidance
4. SECARMY Memo, 27 Sep 05, subj: Management Oversight of the Army's Business Transformation Initiatives

Time Zone Used Throughout the Order: Romeo

Task Organization: N/A.

1. SITUATION

a. Operational Environment.

(1) As a Nation at war the Army is challenged to remain relevant and ready in an era of uncertainty, unpredictability, and diminishing/changing resources (money, time, people, and materiel). Currently, non value-added processes, products or services are absorbing critical war-time resources and hindering performance. Today the Army is without a consistent, Army-wide framework to provide continuous, measurable process improvement.

(2) Lean Six Sigma (LSS) is a business philosophy that combines the strategies of Lean production (elimination of process waste) and Six Sigma (reduction of process variation). These concepts may also be applied to all facets and functions of military and business operations in order to deliver better products and services at lower cost faster, while obtaining maximum return on investment.

b. Friendly Forces.

(1) The Deputy Under Secretary for Business Transformation (DUSA-BT) was appointed to provide oversight and governance for the Army's efforts to implement business transformation and deploy Lean Six Sigma (LSS) ICW the Senior Review Group for Business Transformation (SRG-BT).

(2) Current business-related initiatives will help guide integration efforts for LSS and will accelerate process improvements.

c. Attachments and Detachments. Proven experts in business process transformation will assist the Army during the early phases of this campaign. The Army will leverage LSS Master Black Belts (MBB) until the Army has developed a self-sustaining capability.

d. Assumptions.

(1) Army total obligation authority will remain constant (in real terms) or it may decrease during the next decade.

(2) Army level of operational commitment will not decrease significantly during the next decade.

(3) Army program costs that have been traditionally funded through the supplemental appropriation will migrate to budget during the next decade.

2. MISSION. The Army deploys LSS to accelerate Business Transformation by creating an innovative culture of continuous, measurable improvement that eliminates non-value-added activities and improves quality and responsiveness for Soldiers, civilians, Army families, and the Nation.

3. EXECUTION.

a. Intent. The Army is responding to a changing security environment with systems ensuring cyclical readiness, predictable access to active and reserve units, and synchronized operations. While generating and sustaining our globally-employed forces, the Army provides world-class support to units, individual Soldiers, and their families. This support ensures the critical components to the success of the Army – the people, resources, quality of life and infrastructure – remain relevant and ready for tomorrow's challenges. LSS is the common methodology that will enable this transformation across the Army. LSS applies to everybody; no process or organization is exempt.

b. Concept of the Operation. The purpose of this campaign is to achieve the capability for continuous, measurable improvement for the joint and expeditionary force. To realize this, the Army will execute a disciplined and methodical campaign.

- Develop the Enterprise. The Army will develop a world-class pool of LSS-trained personnel utilizing prudent human resource approaches. This internal talent will provide the expertise to translate proven Lean Six Sigma methodologies into application within the Army's operating environment. The development events will include awareness at all levels, from senior leaders to soldiers and workers, as well as being technically focused for critical roles. There will be dedicated full-time LSS MBB to execute projects in strategically critical areas and to enhance organizational capability.

- Assess the Enterprise. The initial step is to conduct a detailed assessment of the way the Army performs its business operations. This will result in the alignment of the various sources for strategic guidance on the Army's strategic objectives. The

Army will identify the ends, ways, and means to establish a clearly articulated structure so that all members of the Army understand “why” these objectives must be accomplished, and “how” the stated sub-objectives will directly support the overarching objectives (see Annex B [Strategic Objectives and Deployment Metrics]). This framework will define the appropriate metrics to provide all levels of leadership a unified perspective on the execution of the plan to support the Army’s strategy. This will result in a consistent, articulated mapping to balance the priorities of the Department of the Army.

- Execution of Incremental Improvement Initiatives. The tactical level of this campaign will support the operational and strategic goals by providing successful execution of improvement actions that will increase the effectiveness and efficiency of the Army’s operations. The second and third-order effects of these successes are, that by transforming the way we do business and realizing returns on investments in these efforts, the organization can then adapt to meet or reduce capability gaps within existing resources. As in a traditional campaign, aggressive but pragmatic improvement initiatives must be scheduled, executed, and continued to be controlled to realize the revolutionary results. This will be decisive in achieving business transformation and developing the continuous measurable improvement culture.

- Strategic/Tactical Outreach and Knowledge Center. As the Army extends its area of operations for transformation from the operational forces to the force generating components, long-standing institutional frameworks will provide support to the organization but will no longer canalize the flow of business operations and information. The successes and challenges that were faced, and how existing techniques and procedures were adapted by an organization, have proven critical in facilitating other organizations’ successes. This sharing of organizational knowledge is commonly found in combat operations and must be translated and adapted into all Army operations.

Scheme of Maneuver.

(a) Initiate Master Black Belt (MBB) Selection and Orientation. HQDA will initially acquire consultants to fulfill the requirements of MBBs in Major Commands (MACOM) and HQDA Staffs until the Army can acquire or develop MBBs to sustain the deployment of LSS. MBBs will serve in the capacity of coaches, trainers, teachers, and mentors for MACOM Deployment Directors, Black Belts (BB) and Green Belts (GB) candidates. HQDA will resource and allocate these resources IAW business transformation priorities.

(b) Initiate Executive Training. Using acquired MBBs or leveraging existing industry consultation providers, a uniform training program will be provided to critical leadership across all MACOMs and HQDA Staffs. This training will prepare senior leaders to be fully engaged in their roles and responsibilities for the deployment of LSS in their organizations. MACOMs may internally resource training events in direct coordination with the LSS Program Office.

(c) Initiate Process Owner Training for Project Sponsorship. Using acquired MBBs or leveraging industry consultation providers, a uniform training program will be provided to identified process owners that are selected in strategically aligned Army-level processes. These process owners will be assigned either lead or support roles to identify and scope projects, coordinate rapid improvement events, or submit “just-do-it” recommendations to quickly realize breakthrough improvements. MACOMs may internally resource training events in direct coordination with the LSS Program Office.

(d) Process Nomination/Project Prioritization. Process owners of Department of the Army (DA) selected processes will conduct process analysis and present results from immediate actions, plans for rapid improvement events, and project charters for BB and GB Projects to the DUSA-BT prior to briefing the SRG-BT. MACOMs will identify and use internally prescribed processes for MACOM internal project nominations and project prioritizations that parallel DA selected process reviews.

(e) Subject Matter Expert Training and Certification. Using the SRG-BT approved list of projects to prioritize training resources, DUSA-BT will allocate training seats via the Army Training Resource Reporting System (ATRRS) to support execution of DA selected projects. This training will be conducted using acquired MBBs to initially train BBs, GBs and to coach and mentor these candidates during project execution. BB candidates must have project charters approved by the MACOM or HQDA Staff Deployment Director prior to starting training. MACOMs will internally resource training events in direct coordination with the LSS Program Office. ATRRS will also be used to allocate MACOM-funded training to ensure complete tracking of deployment metrics.

(f) Executive Office of the Headquarters (EOH) Field Progress Visits. Members of the EOH will conduct on-site visits. MACOM/HQDA Staff will provide updates on their respective deployment, projects, and results during these visits.

a. Strategic Communication. Communication is critical to the understanding and support of Business Transformation within and outside the Army. For this reason, communications activities will be initiated for internal audiences to share the good news, best practices and success stories derived from the LSS deployment across the Army. For external audiences, it is necessary to keep Congress and the American people informed in accordance with Title 10 regulations and to demonstrate the Army’s intent and ability to operate as efficiently and effectively as possible.

(1) External Media. The focus of the information outreach process is to clearly define the background, importance and relevance of Business Transformation. In addition, this communication plan will inform the stakeholders of the successes accomplished by the Army Business Transformation program. Mechanisms planned for deployment include: a) an Army Greentop news release announcing Business Transformation to be produced and disseminated by all electronic means and posted to the Army web site, b) upon launch of the Business Transformation process, a media event in the form of a roundtable and/or one-on-ones with selected media to be hosted by subject matter experts, c) follow-up media engagements and possible external news releases, d) one-on-one interviews; articles and information for selected periodicals and

major media outlets, and e) other products and outreach activities as deemed necessary.

(2) Internal Media. Dissemination to all Army commands to provide information regarding the background, program implementation, and deployment goals.

c. Tasks to subordinate headquarters.

(1) The Office of the Deputy Under Secretary of the Army for Business Transformation (DUSA-BT) will—

(a) Conduct strategy sessions with the Army senior leadership to define and confirm the enterprise transformation objectives.

(b) Identify and assess existing business improvement efforts within HQDA and develop an integration plan.

(c) Consolidate the organizational assessments and nominated DA-level processes for initial process improvement submissions from the MACOM/HQDA staffs.

(d) Lead the prioritization of DA business processes in terms of potential value to contribute to strategic objectives.

(e) Recommend Lead process owners to the SRG-BT for approval for business processes that span more than one MACOM/HQDA Staff.

(f) Provide Project Management for LSS deployment and execution, including executive training and acquiring a core of MBBs for the MACOM/HQDA Staffs.

(g) Serve as the DA Lean Six Sigma Deployment Director in support of the DA Senior Leadership.

(h) Serve as the DA Lean Six Sigma Deployment Team Deployment Strategy Sponsor.

(2) The Office of the Chief of Public Affairs will—

(a) Provide subject matter expertise and staff support as necessary to the LSS program office for LSS deployment.

(b) Determine the communication channels best suited to facilitate the deployment of Business Transformation goals and objectives.

(c) Develop strategic themes and messages to ensure effective and timely communications.

(d) Support Army-wide strategic planning for BT.

(e) Coordinate with DUSA-BT to define and refine strategic communication plans and delivery methods.

(f) Ensure the execution of strategic communication plans through the appropriate communication plans and delivery methods.

(g) Serve as DA LSS Deployment Team Strategic Communications Sponsor.

(3) Assistant Secretary of the Army (Financial Management and Control) (ASA (FM&C)) will—

(a) Provide subject matter expertise and staff support as necessary to the LSS program office for LSS deployment.

(b) Adapt resource management systems to provide standardized information on Army processes, associated resources, and process outputs.

(c) Coordinate with DUSA-BT to develop the training and education necessary for resource managers to support the deployment of LSS.

(d) Serve as DA LSS Deployment Team Financial Controls sponsor.

(e) In coordination with the Army Audit Agency (AAA), identify high-cost and high-payoff areas within the Army budget for early review. Utilize AAA audits and findings to provide insights into potentially lucrative study areas.

(4) Assistant Secretary of the Army, Manpower and Reserve Affairs. Provide subject matter expertise and staff support as necessary to the LSS program office for LSS deployment.

(5) The Director of the Army Staff. On behalf of the Secretary of the Army, designate Army-Process Leads for cross functional HQDA, Staff Processes.

(6) The Deputy Chief of Staff, G-8 will—

(a) Provide subject matter expertise and staff support for the deployment planning and execution of LSS.

(b) Provide a Program Manager for LSS Program Office.

(7) The Deputy Chief of Staff, G-3. Provide subject matter expertise and staff support as necessary to the LSS program office for LSS deployment.

(8) The Chief Information Office, G-6 will—

(a) Provide subject matter expertise and staff support as necessary to the LSS program office for LSS deployment.

(b) Develop and maintain the Army Knowledge On-line Web site for Business Transformation and the Business Transformation Knowledge Center.

(c) Develop and maintain a publicly accessible Website to provide information to internal and external audiences about the Army's deployment of LSS.

(9) AAA will integrate the FY06 audit plan to include audits that foster projects which will yield savings and efficiencies.

(10) Army Inspector General will assist in identifying cross-organizational and Army-level processes and provide input to the prioritization of Army project execution.

d. Coordinating instructions.

(1) Each MACOM and HQDA Staff will identify and appoint a Deployment Director and determine appropriate staffing to support deployment of LSS for their respective organization.

(2) Each MACOM and HQDA Staff will nominate DA-level processes that directly support the Army strategic objectives. The processes may be executed wholly within the nominating organization or by several Army organizations. The SRG-BT will assign lead and support roles for selected DA-level processes based on identified project opportunities.

(3) Rules of engagement. Consistent with EOH guidance, there is no process that cannot be reviewed for improvement. The guiding principles will target the most strategically critical processes or those that have the most opportunity for improvement.

4. SERVICE SUPPORT.

a. Support Concept. HQDA has budgeted for initial resources to establish the necessary momentum for organizational infrastructure at the HQDA and MACOM level. Organizations may reallocate internal resources to accelerate their deployment IAW the Deployment Strategy. The commitment of resources by all levels will leverage HQDA support vehicles to maintain consistency as the Army develops the necessary internal expertise to become self sustaining.

b. Materiel and Services. Additional guidance will be provided for the specific contract vehicles that provide initial support. Project Tracking Software will be provided across the Army to ensure vertical and horizontal integration of improvement efforts. Subject Matter Experts who are seeking certification or have been certified may be reassigned by the SRG-BT in coordination with the parent organization to ensure success on DA-level process opportunities. This is critical during the initial project efforts due to limited existing subject matter experts.

c. Personnel. A wide spectrum of personnel will be needed to meet the Army's LSS deployment needs, both in terms of skills, occupational series, pay plans, pay rates and grades. Successful implementation and sustainment of LSS requires the Army to

mobilize, harness, and focus the tremendous potential and power of our workforce (military and civilian personnel). The selection and subsequent development of motivated individuals who possess leadership, communication and managerial skills is critical. Current personnel will receive training, as necessary. Standard recruitment processes will be used to recruit new personnel. Initially the organization will rely on the directed assignment of personnel to LSS positions and roles. Over time, the organization should be able to rely on personnel self nominating for LSS roles/positions as career enhancing and a key factor in advancement to more responsible positions. Army civilian and military personnel policies will include the development and approval of a LSS Skill Identifier (SI) or a similar mechanism to identify and track personnel with LSS certification and experience. Supplemental guidance and direction will be provided by the ASA (M&RA) and G1 as required.

5. COMMAND AND SIGNAL

a. Command.

(1) The proponent for this campaign is the DUSA-BT.

(2) HQDA will use the following mechanism to support Army transformation—

(a) EOH Forum. The most senior Army leaders have and will continue to provide strategic guidance and intent. They will be directly engaged in leading Business Transformation. The EOH Forum will meet periodically to provide direction.

(b) SRG-BT. This executive steering committee will be co-chaired by the Deputy Under Secretary of the Army and the ASA (FM&C). The focus will be on priority, policy, strategic objectives, and status of improvement initiatives. The DUSA-BT will provide reports to the SRG-BT.

(c) DA Deployment Director. The DUSA-BT has been designated as the DA Deployment Director.

(d) DA LSS Core Team. This team will be comprised of DUSA-BT, Program Analysis and Evaluation Directorate, G-8, and selected members of HQDA, who will provide full-time staffing to execute the daily requirements of deploying LSS Army-wide.

(e) DA LSS Deployment Team. This team will consist of the DA Deployment Director, the DA LSS Core Team, and the Deployment Directors from Army MACOM and HQDA Staff organizations.

(f) Monthly reporting. The DA Deployment Director will prepare appropriate content and graphics to highlight enterprise business process improvement efforts with the associated metrics. The material will be electronically distributed to the SRG-BT and briefed at the Army Campaign Plan update. The monthly report to the SRG-BT will include significant issues facing the organizations, MACOMs, or major business units that could not be rectified by the DUSA-BT, with recommendations for action.

b. Signal.

(1) AKO Portal will be the Army's internal mechanism to share information, collaborate, track the progress of deployment and specific process improvement activities, provide resources for leaders and LSS practitioners, and provide awareness on upcoming schedules. The path to follow to get to the Business Transformation Web portal is: AKO Home > Army Organizations > Army Leadership > SECARMY > DUSA(BT)

(2) The Army will maintain a publicly accessible Website to provide information to internal and external audiences about the deployment of LSS. The initial address is: <http://www.army.mil/aeioo/SASABT/>.

ANNEXES:

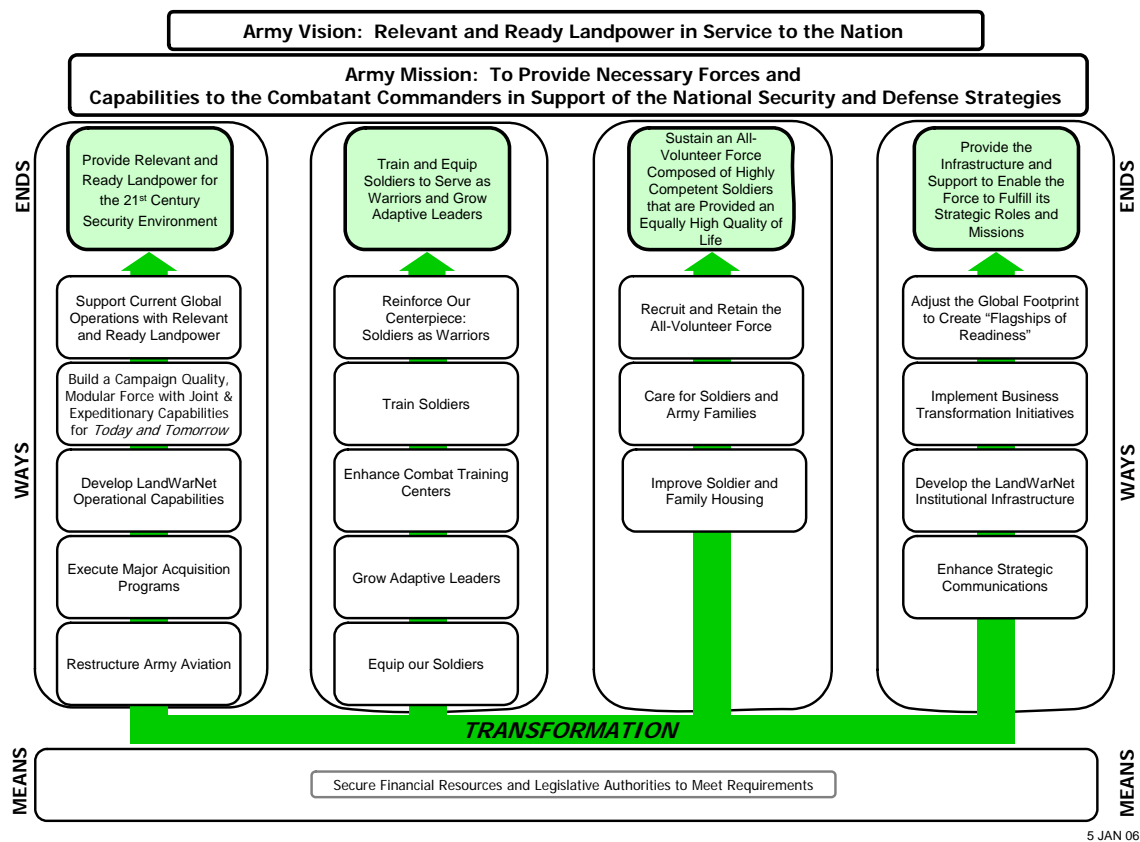
A – Strategic Objectives

B – Deployment Metrics

Functional annexes to be published separately.

ANNEX A (Strategic Objectives)
References: IAW Base Order.
Time Zone Used Throughout the Order: R

Strategic Objectives: The following figure represents the approved Army Strategy Map. These overarching goals and supporting objectives are provided to ensure that projects are mapped to a particular objective (ways).



ANNEX B (Lean Six Sigma Metrics)

References: IAW Base Order.

Time Zone Used Throughout the Order: R

The following deployment metrics are provided as a product from the deployment planning workshop. These metrics will be available through the project tracking software.

a. Program.

- (1) Number of Projects per year by MACOM/HQDA Staff.
- (2) Project Success Rates (projects implemented that meet charter goals).
- (3) Average Time to Complete Projects.
- (4) Number of Cancelled Projects.

b. Projects.

- (1) Average Cycle Time Decrease.
- (2) Process Sigma Increase.
- (3) Average Process Benefit.

c. People.

- (1) Percentage of Senior Leaders completed Executive Awareness Training.
- (2) Percentage of Staff Trained and Certified (MBB, BB, GB)
- (3) Percent of Army Technical Courses with LSS in Program of Instruction (POI)
- (4) Percent of work force on LSS Teams/Projects

d. Financial.

- (1) Return on Investment per MBB and BB by MACOM/HQDA Staff.
- (2) Return on Investment per project
- (3) Return on Investment per MACOM/HQDA Staff Agency

e. Customer. Percent improvement in cycle time, cost, quality and risk based on customer feedback based on survey design.